

PS2010.02 ACCTNG-EMPLOYEE ORG VEND MACH PROFITS TO TRUST FUND



U.S. Department of Justice  
Federal Bureau of Prisons

Program

Statement

OPI: ADM  
NUMBER: 2010.02  
DATE: February 7, 1994  
SUBJECT: Accounting for Employee  
Organizations Vending Machine  
Profits to Trust Fund

1. PURPOSE AND SCOPE. This Program Statement establishes the procedures for billing and recording the Trust Fund's percentage of employee organizations vending machine profits.

The Program Statement on Employee Organizations states that 15 percent of employee organization profit derived from vending machines in visiting rooms or other inmate-use locations shall be paid to 15X8408. In order for the Trust Fund operation to match income and expenses, it is necessary for employee organizations to make these payments once each quarter based on the Government's fiscal year.

2. DIRECTIVES REFERENCED

P.S. 2000.02 Accounting Management Manual (10/15/86)  
P.S. 3721.04 Employee Organizations (02/24/92)

3. STANDARDS REFERENCED

a. American Correctional Association Foundation/Core Standards for Adult Correctional Institutions: None

b. American Correctional Association 3rd Edition Standards for Adult Correctional Institutions: 3-4031, 3-4044

c. American Correctional Association Foundation/Core Standards for Adult Local Detention Facilities: None

d. American Correctional Association 3rd Edition Standards for Adult Local Detention Facilities: 3-ALDEF-1B-18

4. MAKING PAYMENTS. Each employee organization shall pay a total of 15 percent of the commissions derived from Class 1 vending machines (as defined in the Program Statement on Employee Organizations) once each quarter based on the Government's fiscal year. The payments shall be made during the month following the last month of each quarter (January, April, July, October).

5. ESTABLISHING THE ESTIMATED ACCOUNTS RECEIVABLE. The Controller shall ensure that prior to the end of each quarter an accounts receivable is estimated and established in the General Ledger. This shall be accomplished with a 40 transaction using

Sub-object 2691 and entering the estimated receivable in the unbilled column. This will generate entries to debit 136.1, Unbilled Income Receivables - Employee Organizations, and credit 715.3, Income - Employees' Club Vending Machines.

6. COMPUTING THE QUARTERLY EMPLOYEE ORGANIZATION VENDING MACHINE PROFIT PERCENTAGE. During the first month of the following quarter, the quarterly 15 percent profit percentage shall be computed by the employee organization and verified by the Office of Financial Management.

7. BILLING THE EMPLOYEE ORGANIZATION AND ESTABLISHING THE ACCOUNTS RECEIVABLE. Once the quarterly amount due is verified, the employee organization shall be immediately billed. A 40 transaction shall be prepared to reverse the estimated receivable by entering a negative amount in the unbilled column, and the actual billed amount shall be established in the billed amount column. This will reverse the amount in the 136.1 Account and generate entries to debit 136.2, Income Receivable - Employee Organizations. Refer to the Accounting Management Manual, Chapter 10572, for information pertaining to the maintenance of accounts receivables.

8. COLLECTING THE EMPLOYEE ORGANIZATION VENDING MACHINE PROFIT INCOME. Payment shall be made to the Trust Fund by each employee organization prior to the end of the first month of each quarter. Upon receipt of the collection, the billed amount must be reversed and the amount collected must be entered in the collected column of a 40 transaction. This will generate entries to reverse the accounts receivable amount in the 136.2 Account and debit 110.2 - Collections.

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